

Pharmacy Audit Components

The following information serves as a general guide to the components of a Medicaid Pharmacy Audit. Although the list provided may not be all-inclusive, it covers approximately 95% of discrepancies found through on-site and desk review audits.

Questions regarding this information may be directed to Pharmacy Audit at (334) 353-4048 or (334) 242-5361.

DAW Audits

Use of the Dispense As Written (DAW) code 1 requires Brand Medically Necessary (BMN) certification. In absence of certification in the physician's own handwriting on the prescription, recoupments may be initiated.

Usual & Customary (U&C)

For specified products, submitted charge will be compared to cash price to general public. Adjustments may be initiated.

Inaccurate Billing

When submitting Medicaid claims, the NDC number of the product actually dispensed should be billed on the claim. The NDC number is package size and manufacturer specific.

Multiple Dispensing Fees

Providers must have documentation to include call-in and hard copy prescriptions to support the multiple dispensing of the same product, same strength to the same patient within a 30 day period.

Drug Name, Form Strength and Quantity Differs From Prescription

The prescribing physician must authorize all changes from original prescription before changes are made.

Requirements for Signatures and Prescriptions

Schedule II and BMN products require original Rx and Signature. Other drugs may be called in without subsequent signature of the physician as allowed by State law.

Changing Claim Information to Force Payment

The system recognizes and denies exact duplicates. Providers may not alter NDC number, date of service, prescription number, or any other claim requirement to force payment through duplicate edits.

Continued violations of Medicaid claims processing policies may result in recoupment and referral to the Alabama Attorney General's Office for investigation of fraud.